contractors working in Government Departments provide the details regarding their property prior to the commencement of their service;

(d) if so, the details thereof; and

(e) whether more strictness would be imposed in order to check the growth of black money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Income Tax Department undertakes several measures to unearth black money. These include, among others, undertaking search and seizure and survey actions, and scrutiny of returns in appropriate cases.

(c) and (d) In terms of Rule 18 of the CCS (Conduct) Rules, 1964, every Government servant shall on his first appointment to any service or post submit return of his assets and liabilities to the Government giving full particulars. Details of such returns are not centrally maintained as Government servants are working in various Departments/authorities spread all over the country.

(e) In order to check the growth of black money, the Government has recently introduced to additional anti-tax evasion measures. From June, 2005 onwards, a 'banking cash transaction tax' @ 0.1% is being levied in respect of cash withdrawals from banks above a specified amount, other than from savings accounts. The tax is also levied on encashment of bank deposits above a specified amount. Further, it has become obligatory for all banks to report to the Income Tax Department all deposits which are exempt from Tax Deduction at Source (TDS) on interest.

Loans to SSI and Agriculture

1414. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) the loans disbursed by banks, particularly, Nationalised Banks to various sectors, including SSI, Agriculture and Corporates, and interest rate levied thereon during the last three years, year-wise, bank-wise;

(b) whether it is a fact that while interest charged to SSI and Agriculture sectors is in excess of the Prime Lending Rate, it is sub-PLR in favour of corporate customers;

(c) if so, details with recovery status during the last three years, year-wise, bank-wise and sector-wise;

(d) whether credit policy is being reformed to favour SSI and agriculture sectors; and

(e) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Details showing the bank-wise amount of outstanding advances to small scale and agriculture sectors, by public sector banks as on the last reporting Friday of March 2003, 2004 and 2005 is given in the Statement-I (*see* below). Corporate loans are not estimated. As per the interest rate policy of Reserve Bank of India (RBI), interest rates on loans given by commercial banks have been deregulated except that the interest rate on loans up to Rs. 2 lakh should not exceed the Benchmark Prime Lending Rate (BPLR) of the banks concerned. Commercial banks are, therefore, free to decide their lending rates on loans above Rs. 2 lakh subject to the announcement of BPLR. Banks are also free to lend at sub-BPLR rates to creditworthy borrowers based on an objective and transparent policy, subject to the approval of their Boards. Banks decide their BPLR by taking into account, *inter-alia,* their cost of funds, transaction cost and risk cost.

(c) The position regarding recovery of direct agricultural advances of public sector banks for the last 3 years is as under:—

(Rs. in crore)

Year ended June	**Demand**	**Recovery**
2003	28940	21011
2004	33544	25002
2005(*provisional)*	34607	27688

(d) and (e) With a view to doubling the flow of agricultural credit in three years, a package of measures has been announced on June 18, 2005 impressing upon all the agencies concerned the urgent need to significantly enhance the quality and quantity of credit flowing to the agriculture sector. Steps taken by RBI are given in the Statement-II (*see* below). Government of India has announced certain measures in the Parliament on August 10,2005 for stepping

up credit to small and medium enterprises. The details are given in the Statement-III.

Statement-I

Details showing the bank-wise amount of outstanding advances to small scale and agriculture sectors, by Public Sector Banks

(Rupees in Crores)

Name of the Bank	Amount of outstanding as at the end of March					
	SSI SECTOR			AGRICULTURE SECTOR		
	2003	2004	2005	2003	2004	2005
State Bank of India	12393	13033	14865	15871	16645	20526
State Bank of Bikaner & Jaipur	1111	1207	1418	1085	1306	2147
State Bank of Hyderabad	969	1091	1245	1139	1639	1896
State Bank of Indore	712	800	959	953	1209	1666
State Bank of Mysore	562	547	645	783	868	1228
State Bank of Patiala	881	1092	1121	1825	1328	2891
State Bank of Saurashtra	772	782	925	851	973	1210
State Bank of Travancore	634	723	822	765	1018	1732
Allahabad Bank	861	1253	1513	2122	2993	3913
Andhra Bank	1077	1026	1250	1628	2092	3078
Bank of Baroda	3560	3316	3630	4099	3949	4575
Bank of India	3755	3888	4472	4172	4718	7044
Bank of Maharashtra	924	1044	1022	1283	1476	1827
Canara Bank	3884	4971	5779	5407	6545	8782
Central Bank of India	2400	2489	2751	3798	4329	5760
Corporation Bank	652	1000	1263	577	659	1170
Dena Bank	1377	1318	1257	1475	1744	1749
Indian Bank	1003	978	1144	1854	2214	3192
Indian Overseas Bank	1826	2209	2635	2367	3367	4179
Oriental Bank of Commerce	1635	1760	2422	2329	2533	3518
Punjab & Sind Bank	877	828	789	1137	12096	1264
Punjab National Bank	4789	5675	6850	5680	8626	11661
Syndicate Bank	1087	1229	1591	2054	2724	4138
UCO Bank	1459	1677	1953	1462	2446	3783
Union Bank of India	2668	3130	3658	3406	4169	6161
United Bank of India	532	525	818	1208	1222	1549
Vijaya Bank	586	686	837	1171	1438	1837

(Data Provisional)

Statement-II

The steps taken by Reserve Banks of India to increase institutional finance to agriculture

Following steps have been taken by Reserve Bank of ndia to increase institutional finance to agriculture:

(a) Formulation of Special Agricultural Credit Plan (SACP) by sector banks since 1994. As recommended by the Advisory Committee on Flow of Credit to Agriculture and Related Activities from the Banking System (Vyas Committee) and announced in the Mid Term Review of Annual Policy for 2004-05, the SACP mechanism has been made applicable to private sector banks from the year 2005-06.

(b) The Kisan Credit Card (KCC) Scheme was introduced by NABARD in August 1998, through which major share of crop loans is being routed. Since inception of the scheme, public sector banks have issued 1.76 crore KCCs up to March 2005. NABARD has since revised the scheme, which covers term credit as also working capital for agriculture and allied activities and a reasonable component for consumptions needs.

(c) Several recommendations of the Vyas Committee have been accepted and communicated to banks for implementation. These include: waiver of margin/security norms for agricultural loans up to 50,000 and in case of agri-clinics, up to Rs. 5 lakh; inclusion of investment in securitized agricultural loans under priority sector; review of NPA norms in agriculture lending; brining about procedural simplification; financing of oral lessees through the SHG and Joint Liability Group (JLG) approach; appointment of direct selling agents by banks; involvement in contract farming where legal issues have been addressed, etc.

(d) The Service Area Approach (SAA) has been reviewed and, as announced in the mid-term review of Annual Policy Statement for the year 2004-05, the restrictive provisions of the scheme have been dispensed with.

(e) In order to encourage banks to lend directly to the priority sector borrowers, the facility of treating the investment made by banks

in special bonds issued by specified institutions (NABARD, SIDBI, REC, NHB, HUDCO) as their indirect lending to the priority sector is being phased out.

(f) Advances granted by banks up to Rs. 5 lakh to farmers against pledge/hypothecation of agricultural produce including warehouse receipts for a period not exceeding 12 months were treated as direct agricultural advances under the Priority Sector. Keeping in view the importance of post-harvest operations, the above credit limit has been increased to Rs. 10 lakh.

Statement-III

The Highlights of policy package for stepping up credit to small and medium enterprises

SME Definition

Current SSI/tiny industries definition may continue. Units with investment in plant and machinery in excess of SSI limit and up to Rs. 10 crore may be treated as Medium Enterprises Development Bill. Only SSI financing will be included in Priority Sector.

Measures to increase the quantum of credit to SMEs at the right price:

3.1 Public Sector Banks will be advised to fix their own targets for funding SMEs in order to achieve a **minimum** 20% year-on-year growth in credit to the SME sector so as to **double** the flow of credit from Rs. 67,600 crore in 2004-05 to Rs. 1,35,000 crore to the SME sector by 2009-10.

3.2 Public Sector Banks will be advised to follow a transparent rating system with cost of credit being linked to the credit rating of the enterprise. SME rating agency has since been set up by SIDBI.

3.3 SIDBI in association with Indian Banks' Association (IBA) would collect and pool common data on risks in each identified cluster and develop an IT-enabled application, appraisal and monitoring system for small (including tiny) enterprises to help reduce transaction costs as well as improve credit flow to the small (including tiny) enterprises in the clusters.

3.4 SIDBI has developed a Credit Appraisal and Rating Tool (CART) as well as a Risk Assessment Model (RAM) which PSBs would use.

3.5 The commercial banks (including regional rural banks) with over 67,000 branches will make concerted efforts to provide credit cover on an average to at least 5 **new** tiny, small and medium enterprises at each of their semi urban/urban branches per year.

3.6 Reserve Bank will issue detailed guidelines relating to debt restructuring mechanism so as to ensure restructuring of debt of all eligible small and medium enterprises at terms which are not less favourable than the Corporate Debt Restructuring (CDR) mechanism in the banking sector.

3.7 A one-time settlement scheme to apply to small scale NPA accounts in the books of the banks as on March 31, 2004 will be introduced. The scheme will be in force up to March 31, 2006.

3.8 CGTSI will be advised to reduce the one time guarantee fee from 2.5% to 1.5% and PSBs will be advised to reduce annual fee from 0.75% to 0.25% for all (i) loans up to Rs. 2 lakh, (ii) eligible women entrepreneur, and (iii) eligible borrowers located in the North Eastern Region (including Sikkim) and Jammu and Kashmir.

Lowering of excise duty on petroleum products

1415. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to lower the excise and tax on petroleum products;

(b) if so, the details thereof;

(c) what are the reasons for high cost of final petroleum products in the country compared to other countries; and

(d) whether Government have any proposal to minimise the cost of petroleum products?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Pricing of petroleum products